



BEFORE THE STATE BOARD OF EQUALIZATION
OF THE STATE OF CALIFORNIA

In the Matter of the Appeal of)
CALIFORNIA CONSOLIDATED WATER CO., INC.,)
TRANSFEEE OF EVERGREEN SERVICE COMPANY)

For Appellant: **F. Homann**
 Assistant Secretary and
 Assistant Treasurer

For Respondent: Crawford H. Thomas
Chief Counsel

Wilbur F. Lavelle
Tax Counsel

O P I N I O N

This appeal is made pursuant to section 26077 of the Revenue and Taxation Code from the action of the Franchise Tax Board on the claim of California Consolidated Water Co., Inc., transferee of the Evergreen Service Company, for refund of franchise tax in the amount of \$100 for the taxable year 1966.

The question presented is whether the Evergreen Service Company, by failing to file a certificate of winding up and dissolution with the Secretary of State until February 28, 1966, became liable for the minimum franchise tax for 1966.

On December 31, 1965, appellant California Consolidated Water Co., Inc., acquired the business and assets of the Evergreen Service Company, a California corporation engaged in the water service business in this state. In early December 1965, Evergreen requested a tax clearance certificate from respondent Franchise Tax Board. Respondent informed Evergreen's counsel on December 10, 1965 that a \$750 security deposit was

Appeal of California Consolidated Water Co., Inc.,
Transferee of Evergreen Service Company

required before a certificate would be issued. Evergreen did not post a surety bond until February 14, 1966, and respondent issued a tax clearance certificate shortly thereafter. The records of the Secretary of State indicate that Evergreen filed its certificate of winding up and dissolution with that office on February 28, 1966.

Appellant sought a refund from respondent of the \$100 minimum corporate franchise tax paid by Evergreen for the taxable year 1966, maintaining that no tax was applicable because Evergreen was dissolved prior to 1966,

Respondent denied appellant's claim for refund on the ground that, for purposes of the Bank and Corporation Tax Law, dissolution was not completed until February 28, 1966.

For the reasons expressed in Appeal of Master Putty Manufacturing Co., Inc., Cal. St. Bd. of Equal., decided this date, in which the identical issue was presented, we conclude Evergreen Service Company 'was not effectively dissolved prior to 1966 and was liable for the minimum tax for that year.

O R D E R

Pursuant to the views expressed in the opinion of the board on file in this proceeding, and good cause appearing therefor,

Appeal of California Consolidated Water Co., Inc.,
Transferee of Evergreen Service Company

IT IS HEREBY ORDERED, ADJUDGED AND DECREED,
pursuant to section 26077 of the Revenue and Taxation
Code, that the action of the Franchise Tax Board on the
claim of California Consolidated Water Co., Inc.,
transferee of the Evergreen Service Company, for refund
of franchise tax in the amount of \$100 for the taxable
year 1966, be and the same is hereby sustained.

Done at Sacramento, California, this 30th day
of August , 1967, by the State Board of Equalization.

Pang R. Leake, Chairman
John W. Squelch, Member
Richard A. Lee, Member
_____, Member
_____, Member

ATTEST: [Signature], Secretary